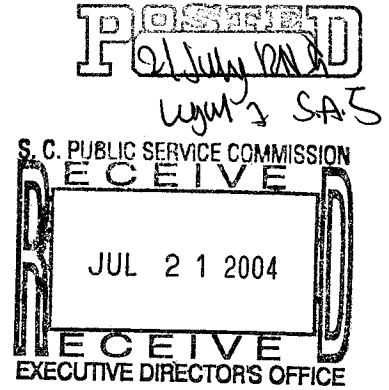
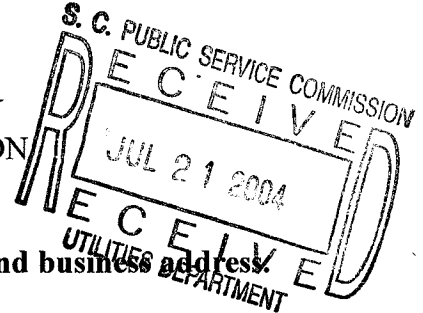


BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2004-90-W/S



In RE:

Proposed Rate Increase of Total ) DIRECT TESTIMONY  
Environmental Solutions, Inc. ) OF MICHAEL DODSON



- 1     **Q     Would you please tell the Commission your name and business address.**
- 2     A     My name is Michael Dodson and my business address is 503 South Hogan Street,
- 3           Westminster, South Carolina.
- 4
- 5     **Q     By whom are you employed and in what capacity?**
- 6     A     I am an independent contractor with Chickasaw Point at Westminster , South
- 7           Carolina. Despite being an independent contractor, I am designated as the
- 8           Operations Manager of the Water/Sewer system at Chickasaw Point.
- 9
- 10    **Q     How long have you been in their contractual relationship with Chickasaw**
- 11       **Point?**
- 12    A     Since September 2003.
- 13
- 14    **Q     Before then, what were you doing vocationally?**
- 15    A     I was previously an independent contractor with Total Environmental Solutions,

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1 Inc. Working at both its Lockhart and Foxwood Hills facility. My contract with  
2 Total Environmental Solutions was oral. Essentially the contract called for me to  
3 furnish men, equipment, and trucks to effect maintenance on the water and sewer  
4 lines.

5

6 **Q How long did you function in that capacity for Foxwood Hills?**

7 A From August 2001 until August 2003.

8

9 **Q Are there similarities between the water/sewer system of Total**  
10 **Environmental Solutions, Inc. At Foxwood Hills and the water/sewer system**  
11 **at Chickasaw Point?**

12 A Yes, similarities and differences, of course.

13

14 **Q Is the system at Chickasaw Point a better system.**

15 A No. The system at Foxwood Hills was initially a better system. The service lines  
16 at Chickasaw were black service tubing which had numerous pinhole sized leaks.  
17 This black tubing had to be replaced.

18

19 **Q What are some of the similarities between the two systems?**

20 A As communicated in its applications, TESI currently serves 543 water and 561  
21 sewer customers in Foxwood Hills. TESI's system in Foxwood Hills utilizes  
22 approximately 70 miles of water and 70 miles of sewer main. TESI also reveals

1 that its customer population is both small and inefficiently scattered. TESI  
2 concludes that these numbers translate into an abnormally high rate of water and  
3 sewer main length per customer. Perhaps, but Chickasaw Point's ratio is similar  
4 For 377 water/sewer customers, Chickasaw Point maintains 32 miles of water and  
5 sewer lines.

6  
7 **Q TESI asserts that such a ratio translates into one of the highest per customer**  
8 **operation and maintenance costs of any water or sewer utility regulated by**  
9 **the Commission. Do you agree with that assessment?**

10 A No. TESI's costs at Foxwood Hills are driven by other factors that escalate its  
11 costs.

12  
13 **Q What are those other factors?**

14 A First, TESI has elected not to meter its system. The expense of doing so would  
15 probably run from \$150,000.00 to \$175,000.00. But metering is necessary to  
16 create a more efficient system. Without metering, there is no easy way to monitor  
17 leakage. Monitoring would pinpoint areas of heavy leakage. Those areas would  
18 be focused on and repaired.

19  
20 **Q Does TESI attempt to repair leaks even without the assistance of meters?**

21 A Yes. But the way in which TESI goes about repairing leaks at Foxwood Hills  
22 explains some of its escalated costs. They will fix the same leak five or six times.  
23 The unsuccessful repair attempts are due to numerous failed attempts and the fact

1           that the repair workers do not know what they are doing.

2

3       **Q       Doesn't TESI have competent maintenance people at Foxwood Hills?**

4       A       Well, TESI's costs speak for themselves. One of their maintenance personnel was  
5           merely a helper for Pioneer previously and has limited experience. Another of  
6           these maintenance personnel has an alcohol and drug problem. One drug that he is  
7           effected by is "crank". This problem affects his work. When he does work, he  
8           works hard.

9

10      **Q       How does that effect TESI repair efforts?**

11      A       For one thing, the same leak is worked on five or six times because the wrong part  
12           is being used.

13

14      **Q       Are the repeated attempts to repair leaks with the wrong parts the only**  
15           **example of a failure to make appropriate repairs?**

16      A       No. There is a sewer line by the main entrance, on top of a hill, that had been  
17           blocked for years. The problem had been worked on for 15 to 30 times without  
18           success. I went to the blueprints, found the relief valve, spent \$377.00 for the  
19           right part, and appropriately fixed the problem.

20

21      **Q       Have relief valves been a particular problem for TESI's system?**

22      A       Yes. There has not been any maintenance personnel with the experience to  
23           recognize a problem as a relief valve problem. The personnel have lacked the

1 experience to know if a relief valve was properly installed or working properly.

2

3 **Q What problems are associated with an improperly functioning relief valve?**

4 A When a line is in need of a relief valve or has a relief valve that is not working  
5 properly, there is no way to get air out of the line. A line can be blocked as a  
6 result.

7

8 **Q How would a worker know when a line is "air-blocked"?**

9 A That requires experience, attention to detail. A maintenance worker would know  
10 because the sound coming from a pump would let you know.

11

12 **Q Has there been a common problem of broken pumps at TESI's facility at**  
13 **Foxwood Hills?**

14 A Yes. The pumps were not being greased. It is not expensive to grease a pump,  
15 but it is to repair or replace a broken pump.

16

17 **Q In discussing high operation and maintenance costs, TESI mentions that**  
18 **Foxwood Hills is characterized by terrain with substantial elevation changes**  
19 **throughout. Is Chickasaw Point any different and does the terrain**  
20 **necessitate high operation and maintenance costs?**

21 A The terrain at Chickasaw Point is the same as that at Foxwood Hills. Hilly terrain  
22 requires that the lines be assisted by air relief valves. Again, you have to  
23 recognized the need for an air relief valve. Then you have to recognize when one

1 is working properly. Like any job, the right part or parts have to be selected. But that  
2 doesn't necessarily result in high operation and maintenance costs just because of terrain.

3

4 **Q Have you worked in both mountainous and flat terrain prior to your tenure**  
5 **with TESI and then Chickasaw point?**

6 A Yes. I have worked in operations and maintenance for systems in the mountains  
7 and in the low country such as the Charleston area.

8

9 **Q Have potable water costs increased for Chickasaw Point too?**

10 A Yes.

11

12 **Q Has Chickasaw Point needed extensive work to improve its system?**

13 A Yes. As mentioned before, Chickasaw previously utilized black service tubing in  
14 its system which was prone to leaks and had to be replaced. At Chickasaw  
15 components of the water and sewer system have had to be separated more.

16

17 **Q With the increase in the cost of potable water, line replacement, and the**  
18 **separation process, is Chickasaws going to be forced to increase rates?**

19 A No. In fact just the opposite. At Chickasaw, there is metering and a base charge  
20 of \$55.00 a month for water and sewer. Chickasaw is considering and may  
21 reduce rates \$8.00 to \$16.00 a month. Tap fees have already been reduced.

22

23 **Q TESI has asked for an investigation of an escrow account at the Bank of**

1           **Westminster. Haven't TESI employees known that the escrow monies were**  
2           **taken for some time?**

3       A     Yes. I talked with Patsy Land one day about monetary needs for the system. Mr.  
4           Land mentioned the money that used to be in escrow and that the money had "left  
5           here". So, just as Mountain Bay may have presented what information suited its  
6           purposes in its rate increase application, everyone needs to realize from this call  
7           for an investigation that TESI has for some time known the escrow monies were  
8           gone.

9

10     Q     **Does this conclude your testimony?**

11     A     Yes, it does.